

Transfer of Development Rights



Smart Preservation
Smart Design
Smart Growth

Transfer of Development Rights in New Jersey

- **Pinelands Development Credit Program**
(Pinelands Comprehensive Management Plan)
- **Burlington County Transfer of Development Rights
Demonstration Act**
(N.J.S.A. 40:55D-113 et seq.)
- **State Transfer of Development Rights Act**
(N.J.S.A. 40:55D-137 et seq.)
- **Highlands Water Protection and Planning Act**
(N.J.S.A. 13:20-1 et seq.)
- **Pending TDR Incentive Legislation**

NJ State TDR Act

Enabled Statewide

Intra-municipal vs. Inter-municipal

Mandatory vs. Voluntary

Conversion of credits from one use to another

Uses for Transfer of Development Rights

Sending Area

- Agriculture
- Environmentally Sensitive
- Open Space/Recreation
- Historic/Adaptive Reuse
- Affordable Housing
- Brownfield Remediation

Receiving Area

- Greenfield/New Center
- New Center in mostly built environment
- Redevelopment Area (Urban/Suburban/Brownfield)
- Infill Development
- Building up
- Variance Requirements

Legislative Requirements

- Development Transfer Element
- Capital Improvement Program
- Utility Service Plan
- Real Estate Market Analysis



```
graph LR; A[Development Transfer Element  
Capital Improvement Program  
Utility Service Plan  
Real Estate Market Analysis] --> B[Plan Endorsement & County Approval]; B --> C[TDR Ordinance]; C --> D[Periodic Review]
```

Plan Endorsement
&
County Approval

TDR Ordinance

Periodic Review

Public Participation

- Education & Outreach
- Steering Committee
- Public Workshops

Coordination

- State Agencies
- Regional Entities
- County
- Bordering Municipalities

Development Transfer Plan Element

This element of the municipal master plan provides the framework of the municipality's TDR program. This element must:

- Include an estimate of anticipated population and economic growth for the next 10 years
- Identify and describe all prospective sending and receiving zones
- Analyze how the anticipated population growth is to be accommodated in the municipality and in the receiving zones
- Include an estimate of existing and proposed infrastructure of the receiving zone
- Provide a procedure and method to transfer development rights from sending to receiving zones
- Provide explicit planning objectives and design standards to govern the review of applications for development in the receiving zone.

Capital Improvement Program

The Capital Improvement Program must be adopted pursuant to the guidelines in the Municipal Land Use Law (N.J.S.A. 40:55D-30). With regard to transfer of development rights, it must also that includes the location and cost of all infrastructure for the receiving zone and a method of cost sharing if any portion of the costs are to be assessed against developers.

Utility Service Plan Element

The utility service plan element of the master plan specifically addresses providing necessary utility services within receiving zones within a specified period, so that no development using TDR is unreasonably delayed because infrastructure is not available.

Real Estate Market Analysis

The real estate market analysis examines the relationship between the development rights generated in the sending area and the capacity of the receiving zone to accommodate the necessary development. The purpose of the analysis is to validate the transfer system proposed in the development transfer plan element prior to the adoption of the implementing ordinance. The Planning Board must hold a public meeting to discuss the completed Real Estate Market Analysis before the first reading of the TDR Ordinance. (N.J.A.C 5:86 et el)

County Approval

Prior to adopting the TDR Ordinance, the municipality must submit the draft ordinance and all TDR related planning documents to the county planning board (and CADB, if applicable) for approval.

Plan Endorsement

A municipality must receive “Certification of Eligibility” for Plan Endorsement and approval of the TDR ordinance and associated documents from the State Planning Commission, or amend a current endorsed plan to include the TDR program.

Transfer Ordinance

The transfer ordinance implements the TDR program. It codifies the location of the sending and receiving zones located, credit allocation schema, and administrative transfer procedures.

Legislative Requirements

- Development Transfer Element
- Capital Improvement Program
- Utility Service Plan
- Real Estate Market Analysis



```
graph LR; A[Development Transfer Element  
Capital Improvement Program  
Utility Service Plan  
Real Estate Market Analysis] --> B[Plan Endorsement & County Approval]; B --> C[TDR Ordinance]; C --> D[Periodic Review]
```

Plan Endorsement
&
County Approval

TDR Ordinance

Periodic Review

NEW JERSEY
Department of Community Affairs
Office of Smart Growth
101 South Broad Street
PO Box 204
Trenton, NJ 08625
P 609-292-7156
F 609-292-3292
www.njsmartgrowth.com

Courtenay D. Mercer
TDR Coordinator/Planner
P 609-943-9938
courtenay.mercer@dca.state.nj.us
Office of Smart Growth